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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MARBLEGATE ASSET MANAGEMENT, LLC,
MARBLEGATE SPECIAL OPPORTUNITIES
MASTER FUND, L.P., MAGNOLIA ROAD
CAPITAL LP, and MAGNOLIA ROAD
GLOBAL CREDIT MASTER FUND L.P.,

Plaintiffs,

-v.-

EDUCATION MANAGEMENT
CORPORATION, EDUCATION
MANAGEMENT LLC, and EDUCATION
MANAGEMENT FINANCE CORP.,

Defendants.

14 Civ. 8584 (KPF)

JUDGMENT

KATHERINE POLK FAILLA, District Judge:

WHEREAS, Plaintiffs Marblegate Asset Management, LLC and Marblegate Special Opportunities Master Fund, L.P. (together, “Plaintiffs” or “Marblegate”), among others, commenced this action on October 28, 2014, seeking: (i) a declaration that the Proposed Restructuring and Intercompany Sale (as defined in the complaint) proposed by defendants Education Management Corp., Education Management LLC and Education Management Finance Corp. (the “EDMC Defendants”) would violate Section 316(b) of the Trust Indenture Act of 1939 and Section 6.07 of the governing Indenture; and (ii) an injunction barring pursuit or consummation of the Proposed Restructuring and Intercompany Sale;

WHEREAS, on January 6, 2015, the EDMC Defendants filed an amended answer to the complaint, and defendant Education Management Corp. (“Parent EDMC”) asserted a counterclaim against Marblegate seeking a declaration that release of its guarantee of the notes held by Marblegate (the “Parent Guarantee”) would not violate the Trust Indenture Act or the Indenture;

WHEREAS, on January 7, 2015, the Court granted a motion by the Steering Committee for the Ad Hoc Committee of Term Loan Lenders of Education Management LLC (the “Steering Committee”) to intervene in this action through final judgment;

WHEREAS, on June 23, 2015, the Court entered an Opinion and Order concluding that judgment should be entered in favor of Plaintiffs, and on June 25, 2015, the Court entered judgment in favor of Plaintiffs and directed the Clerk to close the case;

WHEREAS, on January 17, 2017, the United States Court of Appeals for the Second Circuit issued an Opinion vacating the judgment entered on June 25, 2015 and remanding to this Court for proceedings consistent with its Opinion, and the mandate from the Second Circuit issued on March 29, 2017; and

WHEREAS, Parent EDMC completed the release of the Parent Guarantee following issuance of the mandate from the Second Circuit; it is hereby

ORDERED, ADJUDGED AND DECREED: That, per the Second Circuit’s Opinion dated January 17, 2017, Section 316(b) of the Trust Indenture Act and Section 6.07 of the Indenture did not prohibit the release of the Parent

Guarantee. Accordingly, judgment on the two claims in the complaint is entered in favor of the EDMC Defendants, and judgment on Parent EDMC's counterclaim is entered in favor of Parent EDMC. All parties shall bear their own costs.

Dated: June 22, 2017
New York, New York

A handwritten signature in blue ink, reading "Katherine Polk Failla".

KATHERINE POLK FAILLA
United States District Judge